

**REAL ESTATE APPRAISER EXAMINING BOARD[193F]**

**Notice of Intended Action**

**Proposing rule making related to appraiser qualification criteria and providing an opportunity for public comment**

The Real Estate Appraiser Examining Board hereby proposes to amend Chapter 1, “Organization and Administration,” Chapter 5, “Certified Residential Real Property Appraiser,” Chapter 6, “Certified General Real Property Appraiser,” and Chapter 15, “Supervisor Responsibilities,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 543D.5.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 543D.

*Purpose and Summary*

The Real Estate Appraiser Examining Board adopted the Appraisal Foundation’s Appraiser Qualifications Board 2018 Real Property Appraiser Qualification Criteria (AQB 2018 Real Property Criteria) on January 9, 2019, through **ARC 4006C** and **ARC 4169C**. **ARC 4006C** and **ARC 4169C** neglected to amend Chapter 1, which references the minimum required experience hours and length of time to gain the experience hours. These amendments aim to fix the inaccurate statements based on the previously adopted rules. The amendments also seek to amend the language to be in compliance with minimum standards of the AQB 2018 Real Property Criteria. The AQB 2018 Real Property Criteria updated the minimum requirements necessary to become an appraiser or act as a supervisory appraiser. The AQB 2018 Real Property Criteria reduced the minimum number of required hours of qualifying experience from 2,500 hours to 1,500 hours for residential appraisers. The criteria also reduced the time frame in which experience must be gained from 24 months to 12 months for certified residential appraisers and from 30 months to 18 months for certified general appraisers. Other changes made within the AQB 2018 Real Property Criteria include lower requirements for collegiate experience for certified residential appraisers. The cap on demonstration reports and the limit related to supervision of associates or trainees were required by the 2018 Real Property Criteria and previous version, but were never explicitly stated in the Board’s rules.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any.

### *Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Board no later than 4:30 p.m. on August 20, 2019. Comments should be directed to:

Brandy March  
Real Estate Appraiser Examining Board  
East Grand Office Park  
200 East Grand Avenue, Suite 350  
Des Moines, Iowa 50309  
Phone: 515.725.9025  
Email: [brandy.march@iowa.gov](mailto:brandy.march@iowa.gov)

### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

August 20, 2019  
8:30 to 9:30 a.m.

Small Conference Room, Third Floor  
200 East Grand Avenue  
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend subrule 1.20(2) as follows:

**1.20(2) Summary of certification requirements.** As more fully set out in 193F—Chapters 3, 5, and 6, a person who is in the process of completing the education, experience, and examination required for certification as a certified appraiser may not submit an application for certification to the board until all prerequisites have been satisfactorily completed. The prerequisites include the following: qualifying college and core criteria appraiser education, qualifying examination, ~~2,500~~ 1,500 hours of qualifying experience in a minimum of ~~24~~ 12 months for residential appraisers or 3,000 hours of qualifying experience in a minimum of ~~30~~ 18 months for general appraisers, and work product review. Work product review requires numerous steps, as provided in 193F—5.6(543D) and 193F—6.6(543D). The work product review process includes the applicant's submission of a work product experience log to the board; the board's selection of three appraisals to review; communication of the selected appraisals to the applicant; the applicant's submission of the three appraisals and associated work files to the board in electronic and paper formats; review of the appraisals and work files by a reviewer retained by the board; the reviewer's submission of review reports to the board; a meeting between the applicant and the board's work product review committee; a formal board vote at a board meeting; and communication of approval, denial, or deferral to the applicant. All of these steps must be completed before an applicant with approved work product can submit an application for certification to the board office.

ITEM 2. Amend subrule 5.6(2) as follows:

**5.6(2)** The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals. Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.

ITEM 3. Amend subrule 6.6(2) as follows:

**6.6(2)** The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals. Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.

ITEM 4. Amend subrule 15.3(1) as follows:

**15.3(1)** A supervisory appraiser shall:

- a. No change.
- b. Have a maximum of three associates or trainees, regardless of the jurisdiction in which the associate or trainee is registered or performs appraisal services, and shall register with the board the name, office address and starting date of each associate, as well as any termination dates (voluntary or involuntary).
- c. to e. No change.